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C O N F I D E N T I A L SECTION 01 OF 04 SHANGHAI 000375

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SUBJECT: SHANGHAI ACADEMICS COMMENT ON GEORGIA: IMPLICATIONS AND
ROLE FOR CHINA

CLASSIFIED BY: Christopher Beede, Political/Economic Section
Chief, U.S. Consulate General, Shanghai, Department of State.

REASON: 1.4 (b), (d)

¶1. (C) Summary: Leading Shanghai academics on Russia and international security fault both Russia and Georgia for escalating the conflict, and state that China will not support independence for South Ossetia and Abkhazia because of concerns over setting a precedent for Taiwan, Tibet, and Xinjiang. They place some of the blame on the United States for provoking Russian anger with its push for NATO expansion and missile defense, and say the United States should not push Russia further into a corner. They see similarities between the breakaway provinces and Kosovo and believe South Ossetia and Abkhazia are likely to remain in "quasi-independent" status or apply to become part of Russia in the next few years. Any proposal on Georgia at this month's United Nations General Assembly would be dead on arrival since Russia and the United States both wield veto power, but China is unlikely to raise the issue. China may benefit in the end from the conflict, the Shanghai academics argue, as both the United States, constrained by its international commitments, and an increasingly isolated Russia will look to compromise more with China on international issues. The Chinese Ministry of Foreign Affairs reportedly will convoke leading Chinese international security scholars on September 12 to discuss the Georgia conflict. End summary.

Both Sides at Fault

¶2. (C) Poloff met with leading Shanghai scholars on Russia and international security issues in a series of separate meetings in early September to discuss China's view of the situation in Georgia. Both Zhao Huasheng, Director of the Center for Russia and Central Asia Studies at Fudan University, and Shen Dingli, Director of the Center for American Studies at Fudan University, expressed their appreciation of the complexity of the situation, Zhao stating that it is not "black and white" who caused the crisis. However, he insisted that Russia merely "reacted" to Georgia's actions. Shen opined that both Russia and Georgia could justify their actions. Georgia has a right to defend its

territorial integrity even with the use of force; however, it was wrong to attack Russian peacekeepers in the breakaway enclaves, and Georgia should have been "more sophisticated" in its response. Russia also has a right to protect its own troops, but it should not have used "excessive force".

(Comment: Although Shen runs the Center for American Studies, he is widely recognized and often quoted in local press as an expert on a wide range of international security issues. End comment.)

That "Crazy Man" Started It

¶3. (C) Pan Guang, Director of the Institute of European and Asian Studies, Shanghai Academy of Social Sciences, was less nuanced in his view of the crisis. He thinks it was instigated by "that crazy man," Georgian President Saakashvili who, he claims, preplanned the attack on South Ossetia to coincide with the Olympics. He did not respond clearly when asked whether Russia played a role in instigating the war. Zhao and Shen did not have any particularly strong opinion or insights into Saakashvili but opined that he probably miscalculated Russia's response.

But The United States Also at Fault

¶4. (C) Shen argued that Russian peacekeepers should not have been in the area to begin with since they clearly are not neutral parties. Why did the United Nations (UN) Security Council not deploy a more neutral peacekeeping force to the region? He insinuated that the United States was as much at fault in fomenting tension since it did "too much" to anger Russia with its push for NATO expansion and missile defense

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deployment in Eastern Europe. The United States pushed the envelope, and Georgia provided Russia with an opportune excuse to display its strength. Zhao also thinks Russia had sent many signals to the West expressing its discontent with NATO expansion and missile defense but that these signals were not taken seriously enough.

Medvedev Had "No Choice"

¶5. (C) Regarding Russia's leaders, the scholars acknowledged Russian Prime Minister Putin's "great influence" and his likely key role in the Georgia conflict. But Zhao believes Russian President Medvedev is "stronger than people think". Georgia was Medvedev's first real test as president, and he had "no choice" but to react strongly; otherwise, his position would have been in jeopardy. The decision to attack Georgia was a "collective decision" made by Medvedev, Putin, and top figures in Russia's defense, foreign affairs, and intelligence establishments, according to Zhao.

China Will Not Recognize Independence

¶6. (C) The scholars were all surprised, not by the fact that Russia recognized South Ossetia's and Abkhazia's independence, but at the quickness of the recognition. They do not believe China will support their independence. Shen commented that the Georgia crisis presents an awkward situation for China given its predicament in Taiwan, Tibet, and Xinjiang. China does not want to set a precedent for these areas by recognizing the independence of the breakaway provinces. But Pan thinks some countries like Venezuela, North Korea, Belarus, and "some countries in the Middle East" might follow Russia's lead.

Similar to Kosovo

¶7. (C) Pan drew parallels between South Ossetia and Kosovo, asserting that the situation is essentially "the same" since Saakashvili "killed many South Ossetians, just like Milosevic (did in Kosovo)." Shen, who is most concerned about U.S.-China relations, presented a more balanced view, citing similarities such as the presence of large ethnic minority groups and the central governments' use of force in both areas, though there

are plenty of differences in the degree of integration of the minorities and the extent of the central governments' use of force. Shen said the U.S. rationale to intervene in Kosovo could be used by the Russians.

Russia Not Asking For Too Much From Its Friends

18. (C) Russia understands that China and other members of the Shanghai Cooperation Organization (SCO) are prevented from expressing more support for Russia's actions by various domestic and foreign policy concerns, according to the scholars.

Although the Russian media is divided in its reaction to the SCO's joint statement, Pan and Zhao think Russia was "not very disappointed" and relatively satisfied with the outcome since the statement acknowledged Russia's interests and role in the region. However, Shen believes Russia probably miscalculated when it recognized South Ossetia's and Abkhazia's independence, erroneously thinking the SCO would support this move. (Note: More on the SCO to be reported SEPTEL. End note.)

Don't Back Russia Into A Corner

19. (C) Zhao thinks the West has very few tools to persuade Russia to back down. Threats to block accession to the World Trade Organization or to drop it from the G8 may not be enough to push Russia towards a compromise. The West should try to persuade Saakashvili not to complicate the situation further. Georgia's recent announcement that it was cutting off diplomatic ties with Russia will not help matters and will only end up hurting Georgia, which is dependent on Russia for trade and energy. Shen argues for a policy of moderation by the United States and Russia: both sides need to back off a little. Russia is currently "not acting rationally", and Shen cautions against

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making them lose face; a cornered Russia would be very dangerous. The international community should deploy a neutral international peacekeeping force into the region. Zhao predicts that South Ossetia and Abkhazia will eventually apply to become part of Russia, and the Russians will acquiesce. Shen predicts both enclaves will continue to have "quasi-independent" status the next several years. If they eventually move to formally join Russia, there will be war between Georgia and Russia, Shen predicts.

China Does Not Want To Be Active Player

10. (C) These academics all stated that China does not want to play an active role in defusing the conflict. According to Pan and Zhao, the Caucasus is still "far away" from China, so China does not want to act in a way that could jeopardize its relations with either Russia or the West. Shen said China cannot publicly express too much support for Russia given the importance of relations with the United States, but it should tell Russia in private that it sympathizes with Russia's situation since China needs Russia's help on certain issues, such as energy supplies and preventing Japan from becoming a permanent member of the United Nations Security Council. At the same time, China should be wary of Russia because if Russia gains power, it will "not be a responsible hegemon" in the region.

Dead on Arrival At UNGA

11. (C) The Georgia issue will not be raised by Russia and is unlikely to be raised by China for discussion at the upcoming UN General Assembly. Pan argued the UN Security Council cannot do anything since both Russia and the United States have veto power. Shen thinks Georgia may raise the issue, but Russia would veto any idea of deploying an international peacekeeping force.

China Looks to Benefit

12. (C) China may end up benefiting from this conflict, Zhao elaborated. Since the United States will be preoccupied with

Russia, Iraq, Afghanistan, and North Korea, it will seek more compromise with China on international matters. Russia will find itself increasingly isolated, elevating China's importance in the region. Zhao also thinks there will be "less chance for disputes" between China and Russia, since an increasingly isolated Russia will have little choice but to look to China for support on international issues.

Competition in Central Asia?

¶13. (C) China and Russia are competitors and cooperative partners in Central Asia. Russia still views this region as its "traditional backyard"; recognizing Russia's concerns, China has tried to advance its energy interests (i.e. signing energy deals with Central Asian states) while maintaining good relations with Russia. Pan stated that Russia would be "unhappy" with any pipeline deal involving Central Asia that leaves Russia out of the loop. The SCO has served as a useful forum for coordinating energy deals; for example, the oil pipeline from Russia through Kazakhstan to China was coordinated through the SCO. However, China and Russia also compete in certain areas, like Turkmenistan, where both countries have signed gas deals.

¶14. (C) The Central Asian states have largely been successful in maintaining good relations with Russia, China, the European Union, and the United States, according to the academics. Pan asserted that Saakashvili "should learn" from these countries and recognize the need for a well-balanced relationship with all major powers.

¶15. (C) The academics downplayed China's dependence on Russia for oil and arms. China's military imports from Russia have significantly declined in recent years, according to Shen, though he has heard rumors recently of China's plans to import

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100 armored vehicles from Russia. Pan estimates that only 10 percent of China's oil imports are from Russia; the majority comes from other countries like Saudi Arabia, Angola, Sudan, and Oman. Although China highly values its relationship with Russia for political reasons, the academics agree that the most important international relationship for China now is with the United States due to their economic ties.

Comment

¶16. (C) Zhao and Pan enjoy close ties with Russian scholars and government figures, perhaps leading to some bias in their views on the conflict. Pan was especially vehement in denouncing Saakashvili's actions. He mentioned a possible roundtable discussion in the future with Russian and Georgian government officials in Shanghai, saying he knows the Russian Consul General well, but then realized "Georgia has no Consulate in Shanghai." Zhao stated he had been to Georgia once a few years ago and did not have many positive impressions of the place. He has been to Russia numerous times and even lived there for some time. Shen was less biased in his views but critical of the United States for raising tensions "unnecessarily". He mentioned that he has been invited by the Chinese Ministry of Foreign Affairs to attend a conference (likely in Beijing) on September 12, in which the Ministry will elicit ideas from leading Chinese scholars on the Georgia conflict.

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